

[5th November 1935]

## IV.—THE MADRAS DEBT CONCILIATION BILL (BILL No. 9 OF 1934).

\* Diwan Bahadur T. A. RAMALINGAM CHETTIYAR:—" Sir, I beg to present the Report <sup>a</sup> of the Select Committee on the Madras Debt Conciliation Bill (Bill No. 9 of 1934) and move that the Bill <sup>a</sup> as amended by the Select Committee be taken into consideration. Sir, this Bill has been pending for a long time, and I am glad that it is at last possible now to be considered by the House. There are one or two matters I should like to mention at the present stage. There is in the country a very legitimate desire that at the present period of depression, the agriculturist who has suffered the most, should receive speedy relief, and also that the relief should be made available in such a way that he easily gets it without much trouble and without much effort. I heartily agree with these views and I should certainly have been glad, Sir, to make the range of this Bill more comprehensive. In other provinces Bills of a comprehensive character for the relief of agriculturists have been brought in by the respective Governments and have been passed. But here, as we have been complaining from the beginning, the Local Government did not take any initiative in the matter and I took the responsibility of bringing in this measure. I was very much handicapped and I had to take the only model available at the time I introduced this Bill and this Bill was based on the Central Provinces Debt Conciliation Bill. So, naturally, the scope of this Bill is very much restricted. It is only confined to bringing into existence a machinery for bringing the debtor and creditor together and making them come to an understanding, because that was the line on which the Central Provinces Government moved, and as I said, I had to take for my guidance that Bill passed by the Central Provinces Government. Sir, naturally, the representatives of the people in this House are anxious that we ought to be able to introduce in this Bill provisions under which we can give relief to our agriculturists in the same way as the Bills passed by other Governments, especially the Punjab and United Provinces Governments, have granted relief to the agriculturists. As I said, Sir, I am in agreement with that view; but unfortunately, under the rules, we cannot introduce those provisions in this Bill the scope of which is, as I submitted, very restricted. So, Sir, the only way in which we can introduce those provisions for the relief of agriculturists in our Presidency will be either by getting the Government of this Province, as other Governments have done elsewhere, undertake legislation of that kind—I hope the Government will consider that position—or non-officials themselves taking the initiative.

11-45  
a.m.

" Sir, in the Select Committee, several Members were anxious to extend the scope of the Bill and possibly such attempts will again be made. Of course the question whether such amendments will be in order or not is for you, Sir, to decide. I have nothing to do with that. But I may say that I am in entire sympathy with that demand to give further relief to the agriculturists. At this stage I only want to say that the scope of the present Bill is restricted.

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"The Select Committee, Sir, has not introduced very many changes in the clauses of the Bill except in clause 15 which gives guidance to the Boards specifying the matters that will have to be taken into consideration in granting certificates. With these few words I commend my motion for the acceptance of the House."

The motion was duly seconded.

The motion was put and carried and the Bill was taken into consideration.

### Clause 1.

#### Sub-clause (1).

Mr. P. V. KRISHNAYYA CHOUDARI:—"I move—

*'In sub-clause (1), for the words "the Madras Debt Conciliation Act, 1933," substitute the words "the Madras Agriculturists' Indebtedness Relief Act, 1935."*

"The reason for my moving this amendment is to bring it in conformity with the Acts in force in the other Provinces. At the same time, Sir, in the Statement of Objects and Reasons, the hon. Mover has himself mentioned in various places that it is intended for the agriculturists. So I suggest that it must be called the Madras Agriculturists' Indebtedness Relief Act. In the definitions also, the word 'Agriculture' has been given a comprehensive definition. In these circumstances I feel that the name should be Agriculturists' Indebtedness Relief Act because it affects all people."

Rai Sahib C. KOLANDA REDDI:—"I second it."

Mr. K. KOTI REDDI:—"Sir, I do not see why it should be insisted upon that there should be this change. Section 2 includes landholders and they may not be agriculturists. The provisions of this Bill would still apply to them. Such being the case it is not necessary to change the title of the Bill into Agriculturists' Indebtedness Relief Act."

Mr. C. BASU DEV:—"I oppose the amendment on the ground that it goes against the aim of the Bill which is to afford relief to all debtors and not merely to agriculturists. Even the creditors will be advantageously affected by this Bill. The creditor and the agriculturist debtor and every other debtor stand to gain by this measure. I think therefore that we should retain the words 'Debt Conciliation Bill.' Debt Conciliation is the essence of this measure."

\* Mr. W. K. M. LANGLEY:—"Mr. President, Sir, I oppose this amendment. My hon. Friend the member for Guntur was one of those on the Select Committee principally concerned in altering the whole scope of this Bill and so making it applicable not only to the small agriculturist but also to any debtor and so covering any sort of debt whether incurred in trade or by personal extravagance. The definition of agriculture was so altered that any man who keeps a couple of silk-worms is regarded under the Bill as an agriculturist. My hon. Friend, Mr. Koti Reddi, has just let the cat out of the bag and has shown that the intention of my hon. Friend the Mover of the amendment and his



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friends was to extend the Bill beyond the agriculturists. It seems to me therefore that it is hardly honest on the part of my hon. Friend, the Member for Guntur, to now wish to alter the title of the Bill so as to give it a purely agricultural flavour. So I beg to oppose the amendment."

Mr. P. V. KRISHNAYYA CHOUDARI:—"Mr. President, I am not anxious to restrict the Act only to agriculturists. Under its provisions agriculturists, sericulturists and others will come. It should be a beneficial measure to all persons like that. In Punjab and Bengal there are similar Acts and they are called the Agriculturists' Relief Acts. In conformity with that I wanted that we should change the name. Anyhow, I have no objection to withdraw my amendment."

The amendment was by leave withdrawn.

### Sub-clause (3).

Mr. P. V. KRISHNAYYA CHOUDARI:—"I move  
'that sub-clause (3) be omitted.'

"I am moving this motion for omitting sub-clause (3) only with a view to give these facilities without delay. Sir, people are anxious that this Bill should be passed into law as soon as possible so that the benefit we give may be available to them very early. If the Bill is to come into force as soon as it is passed into law, it would be an advantage instead of there being postponements. I do not know whether the Government have any idea of again experimenting in particular districts just as they are doing in the case of the Agriculturists Loans Act. I want that they should come out openly and say what their intentions are. If that is not the case, I do not see any reason why they should come forward every time with notifications for each district. With that idea I move that as soon as the assent of His Excellency the Governor and the Governor-General is received, the Act should come into operation without any postponement. As we have been suffering these three or four years without any relief, I very much wish that this suffering is not prolonged a moment longer than necessary. With that idea it is that I have moved for the omission of sub-clause (3)."

Mr. G. R. PREMAYYA:—"I second it."

\* The Hon. Sir K. V. REDDI NAYUDU:—"Sir, the effect of the omission of this sub-clause will be to make the Act come into force as soon as the Governor-General's assent is published. The amendment is not acceptable because it is necessary to have time for framing the rules and for selecting the persons to be appointed to the Debt Conciliation Board and also for deciding the question whether each district should have one Board or whether there should be more than one Board, before the Act is brought into force. It is certainly not intended that there should be any delay in bringing the Act into force."

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Mr. P. V. KRISHNAYYA CHAUDARI:—"I do not know what prevents the Government from framing the rules now alone, even before assent is given. I am not able to understand the difficulty. Many of the Bills that we have passed have come into force as Acts from the date assent is given. My idea in moving this amendment is simply this: to give the people the benefit of this measure as soon as possible. Rules can be framed without any delay. As soon as legislation is passed and the assent is given, the Boards also may be formed. But I have no objection to fix the date of coming into force of this Act as one month after the date on which assent is given."

\* The Hon. Sir K. V. REDDI NAYUDU:—"There is no ambiguity in the matter at all. It is not the intention of Government that any delay should be caused in the matter. They will do everything in their power to expedite the framing of these rules and the coming into force of this Act. But this Government has no power to make the rules unless the assent of the Governor-General is received. However, as the hon. Member suggests, we shall set to work even before the assent is received. I think that ought to satisfy the hon. Member."

The amendment was by leave withdrawn.

Clause 1 was then put and carried.

#### Clause 2.

\* The Hon. Sir K. V. REDDI NAYUDU:—"Mr. President, Sir, I beg to move the following amendment:—

- '(a) In line 3 of sub-clause (f), before the word "payable" insert the word "whether"; and
- (b) In line 4 of sub-clause (f), before the word "whether" insert the word "and".'

"This is the noncontentious part of the amendment of which I have given notice and accordingly I move it first."

The Hon. Mr. G. T. H. BRACKEN:—"I second it."

The amendment was put and carried.

\* The Hon. Sir K. V. REDDI NAYUDU:—"Mr. President, Sir, I beg to move the following amendment:—

- 'In sub-clause (f) of clause 2, after the words "land revenue or anything recoverable as an arrear of land revenue" in lines 6 to 8, insert the words and figures "rent as defined in the Madras Estates Land Act, 1908."'

"Sir, the object of this amendment is to exclude from the definition of debt any rent or arrears of rent whether it is, in the shape of mere rent or of a decree. Such amounts should not form the subject-matter of arbitration by the boards that we constitute. The Government consider that the rent due to a zamindar is not a debt. Debt, as ordinarily understood, is the amount borrowed for the purpose of the borrower. Rent, on the other hand, is the money due to the landlord as his share of the produce of the land and as such it is different from our conception of debt. The principle on which the rent is based is that



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the landlord is entitled to have his share of the produce of the land, though of course in many instances his share has been converted into money rent. But the basic principle is the same. To call the landlord's share of the produce of the land as debt would be wrong and Government consider that it should not be so treated. Further if that is granted, the landlord would have difficulty in paying peshkash to the Government, because he can pay the peshkash only after receiving the rent. Considering the practical difficulties that would be caused and remembering that by no stretch of imagination could one call the landlord's share of the produce of the land as debt, the Government think that rent ought to be excluded from the definition of debt in this Bill."

Rao Bahadur P. C. MUTHU CHETTIYAR seconded the amendment.

Diwan Bahadur T. A. RAMALINGAM CHETTIYAR:—"Mr. President, Sir, I am sorry that the Government should have taken upon themselves the task of bringing forward an amendment of this kind and I am also surprised at the arguments advanced by the Hon. the Law Member in support of it. When the Hon. the Law Member says that rent is not debt, he forgets that rent also is a sum due to the landlord and if it is money due to the landlord, certainly it is a debt. It cannot be said that if the dues are of one kind they constitute a debt but if they are of another kind they do not constitute a debt. So far as the debtor is concerned it is a liability which he has to bear and provide for. The only other reason that the Hon. the Law Member gave was that the zamindar would have difficulty in paying peshkash. But is he not aware that most of the creditors are also debtors in their turn to somebody else? Do they not borrow for the purposes of lending money to others? When the Hon. Member is making the Bill applicable in the case of other creditors who may themselves be debtors, it is quite illogical to argue that because the zamindar has to meet some other demands, rent cannot be treated as debt. The whole scheme of the Act is forgotten by the Hon. Member when he advances this argument. We bring together the debtor and all his creditors and we try by persuasion of the creditors and the debtor so that all the debts of the debtor are satisfied in one way or the other. If now some of the debts are going to be taken out of the scheme, to that extent, it will not be possible to wipe out the liabilities of the debtors. After all the right of the landlord is not taken away. Rent is included in the definition of the words 'secured debt.' Secured debt is defined as follows:—

'Secured debt includes mortgage-debt or any debt for which here is security, lien or charge created by deed, statute or otherwise.'

"Now after the Estates Land Act, this right of the landholder is secured by statute. Again, Sir, under sections 12 and 15, the right of the secured creditor to proceed against the property, in this case, the right of the landholder to proceed against the land on which rent is due, is not taken away. That is preserved. All that is sought to be done here is this: The creditor will have to appear before the board and prove what debt is due to him. The Board will see whether any arrangement is possible. If no arrangement is possible and if the creditor is unreasonable, the penalty imposed on him is that the costs

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in any suit that he may file in the ordinary way for recovering his dues would be denied to him and also from the date of the order that may be passed or the certificate that may be given, he will get only 6 per cent interest in the place of any other interest provided in the statute or any agreement. That is all the penalty that the landholder might suffer. His right of priority, his right to the security—these are all preserved. Under these circumstances, I do not see, Sir, what reason can be urged for taking away the landholder from the scheme altogether, so that wherever a tenant may owe some money to a landholder, practically the provisions of this Act would not apply, because one of the debts cannot be dealt with by this Act. It seems to me that the Government do not realize exactly what this amendment is leading to. They are making the Act inapplicable to practically all the tenants in the zamindaris. That will be the practical result of the amendment that is now proposed by the Government. I hope, Sir, after the Government realize what this amendment will lead to, they will not press it."

\* Sir A. P. PATRO:—"Mr. President, Sir, I thought that the author of the Bill had some substantial grounds to oppose the Government amendment, but as it is, he seems to have forgotten logic as well as consistency. If we refer to the Punjab Act which is evidently intended for the relief of agriculturist debtors, we find the following definition of debt:—

"Debt" includes all liabilities of a debtor in cash or in kind, secured or unsecured, . . . whether mature or not, but shall not include debts incurred for the purposes of trade, arrears of wages, land revenue or anything recoverable as an arrear of land revenue, or any debt which is barred by the law of limitation, or debts due to co-operative banks or to co-operative societies or to the Imperial Bank of India or to any banking company registered under the Indian Companies Act, 1913, or the law relating to companies for the time being in force in British India."

"Hon. Members will see, Sir, that this definition exempts various kinds of dues. In the Punjab where the Act has been working for some time, it has been found necessary to have these exemptions.

"Now, Sir, what is the difference between the land revenue or assessment paid to the Government and the assessment or money rent or rent in kind paid to a zamindar?"

DIWAN BAHADUR T. A. RAMALINGAM CHETTIYAR:—"That is not included in the Punjab Act. My learned friend is mistaking something else."

\* Sir A. P. PATRO:—"I am coming to that presently. My hon. Friend is impatient. Now, Sir, land revenue is exempted in the Punjab Act as well as in the Bill before us. I ask the hon. Member who is a lawyer what difference will he make between the arrears of land revenue on patta land due to Government and arrears of rent due on patta land in zamindari areas? The zamindari ryot has the full right of occupancy, the right to sell, and the right of alienation. When the arrears due to the Government from the pattadar are exempted, why should there be any difficulty in exempting the rent due to the zamindar? There was this deficiency in the Bill as amended by the Select Committee and now the Government propose to make up that



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deficiency by adding that rent as defined in the Madras Estates Land Act. This should not come within the purview of the definition of the word debt. This is very necessary both in the interests of the tenants and the zamindars. My hon. Friend seems to be labouring under a great misapprehension. He thinks that the zamindars are a different class of people and they can be easily dealt with much easier than the Government can be dealt with. If he thinks that these people can be inconvenienced easily, I am afraid he is very much mistaken. The tenants in both cases are on the same footing. The arrears of land revenue could summarily be recovered; the arrears of rent also could summarily be recovered. The land-tax in one case and the land revenue in the other case—both of them could be summarily recovered. I do not see what difference there is between the taxes due to Government and the rents due to zamindars. The zamindari ryot has occupancy rights quite as well as the pattadar. There is absolutely no difference between the two under the Estates Land Act especially after it has been amended. As I have said, when there is absolutely no difference between the nature of the rights of the tenants in both cases, I do not see any reason why the arrears in one case should not be exempted while the arrears in the other case are exempted, especially when you find that in the Punjab Act so many things such as the debts due to co-operative societies, banks, money borrowed for the purpose of trade, are exempted from the definition of debt. I think the same is the case with the Central Provinces Act also, on which my hon. Friend has modelled his Bill. Clause 2 (c) of the Act in the Central Provinces runs as follows:—

“Debt” includes all liabilities owing to a creditor, in cash or kind, secured or unsecured, payable under a decree or order of a civil court or otherwise, whether due or not due, but shall not include arrears of wages, land revenue or anything recoverable as an arrear of land revenue, or any money for the recovery of which a suit is barred by limitation.”

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“The idea underlying the Central Provinces Bill is that the concession should be extended to rent due to the zamindar. If hon. Members will refer to the Bengal Bill—it is still pending there—they will find this; debt includes the liabilities of the debtor, cash or kind . . . but does not include the following:—

“Any amount due as arrears of wages or any rent due at the time when the Board determines the amount of debt.

“Evidently the Bengal Bill contemplates that rents due to the landholders should be exempted from the operation of the Act. Arrears of rent due to the landholder or zamindar under the Estates Land Act should be excluded from the operation of the Bill. When you have excluded land revenue payable to the Government, it is but just that you should exclude the rents payable under the Estates Land Act also. The relations between the landholder and the tenant should be fixed and regulated by the Estates Land Act and not by a separate Act like this indirectly. The Bill should not indirectly affect the relationship between the tenant and the landholder. For these reasons, I support the amendment brought forward by the Government.”



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Mr. K. P. RAMAN MENON:—"Sir, I cannot agree with Mr. Ramalingam Chettiyar. I believe that the object of the Bill is really to give protection to persons who borrow from unscrupulous money-lenders. Mr. Chettiyar's object I take it, is not to avoid payment of rent or revenue or anything due to the persons to whom it is due under the law of the land. If that is the object of the Bill I fail to see why arrears of rent due to the landholder should stand on a different footing from arrears due to the Government. Government tax is a due because the Government is the overlord of the land and because it affords protection to the people; it is known as a tax. The landholder is to take a definite portion of the produce of the land and it is regulated by various Acts in particular districts. I fail to see why the landholder should be compelled to go to the Board at the instance of the tenant who has to pay his dues to the landlord to whom he is liable to pay the rent either under a contract or under the custom of the land. All dues are debts, no doubt. But why should the author of the Bill exclude from the purview of the Act certain debts and not others? It will be hard to include arrears of wages which are probably payments for services rendered by persons and earned by them. Why should land revenue be excluded? Because it is a paramount charge on the land. Similarly, the rent payable to the landholder—though it is not a paramount charge—is almost equal to the paramount charge. I submit, therefore, that simply because all dues are debts, there is no reason why certain dues which have to be paid under the law of the land, should not be excluded from the purview of the Act? Look at the definition of the word 'debt.' The rent due to the landholder is a secured debt. There are provisions in the Bill which would compel the landlord to go before the Board of Conciliators, in connexion with any proceeding he might have to take to enforce his rights. Why should he, who is entitled to get a certain share of the produce of the land, be asked to go before this tribunal and why should he suffer? Is it because he is unfortunately the landlord? I submit, therefore, that there is absolutely no reason why the rent which is payable to the landholder should not also be exempted. I would ask the Hon. the Law Member to exclude all rent, not only rents payable under the Estates Land Act, but all rents payable, for example under the Malabar Tenancy Act. There are other Acts which fix the rent which is recoverable on the property. All these rents should be excluded is my suggestion to the Hon. the Law Member."

Sriman M. G. PATNAIK Mahasaya:—"Sir, under the Estates Land Act the Government as well as the assignees, the zamindar or the inamdar are co-owners with the kudivaramdar, the ryot. Though the land is in the hands of the kudivaramdar, the ryot, he pays rent to the co-owner, to the inamdar, the landholder or the Government; because they are co-owners with the ryot. They are really co-sharers. The ryot is not the owner of the property; the owner of the property is the Government or the landholder or the inamdar. Suppose there are two brothers entitled to a joint property in equal shares. You want to deprive one of the brothers, who is a co-sharer, of his equal



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right in the property. The ryot is a co-owner according to the law recognized under the Estates Land Act. I do not know how the rent payable by the tenant can be called a debt; it is not a debt. By virtue of their share of the produce of the land, the Government or the zamindar or the inamdar is entitled to that share. The land is let out to the tenant by the landholder for the sake of getting rent. Therefore there is no distinction between the rents payable to the Government or to the zamindar or inamdar. I do not see why the rent payable to the zamindar should not be excluded. It is based upon the custom of the land. The zamindar cannot enhance the rent as he pleases. It is fixed by custom, or by statute. So also Government revenue. Of course the Government have got the right of increasing the rent to some extent. Land-cess is based not upon contract but upon statute. If that is the basis, I do not see why any distinction should be made between what is payable to the zamindar and to the Government. I therefore submit that the rent payable to the zamindar should be treated on the same footing as land revenue."

Mr. P. V. KRISHNAYYA CHAUDARI:—"Sir, we discussed this aspect in the Select Committee and it threw out by a decent majority the amendment to the same effect moved by my hon. Friend, Kumararaja of Venkatagiri. As a matter of fact we have not done any harm to the zamindars regarding their rights. The zamindar is likely to accept to the terms proposed by the tenant in the presence of the Board of Conciliation; if the zamindar is not prepared to do so, he has got the privilege of attaching the property of the tenant according to the Estates Land Act. Nobody can forbid the zamindar from taking legal action. It would facilitate the tenant and the zamindar to come to a sort of amicable settlement if the matter goes before the Debt Conciliation Board.

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"Another point, Sir. For various reasons the zamindar may allow the rent to accrue for more than a year, sometimes for two or three years. The ryot would not be in a position to pay the full amount all at once. He can only appeal to the zamindar through the Conciliation Board and the influence of the Board may prevail with the zamindar and he may accept the terms put forward by the tenant, so that he may act according to public opinion. This will facilitate the tenant paying his dues to the zamindar. It will not take away the privilege of the zamindar which he has got under the Estates Land Act.

"Another point which I want to bring to the notice of the House is this: there is a lot of difference between rent paid by a ryot to the zamindar and to the Government. When we were discussing the amending Bill to the Estates Land Act yesterday in the Select Committee, one Raja Sahib suggested, in connexion with the proposal that zamindars should give remissions whenever Government gave such remissions, that the Government and the zamindar should not be treated on the same footing. But if in this case, the comparison with the Government is to stand, I think it is not justifiable. I therefore request the Hon. Leader of the House not to press his amendment.



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"The Hon. the Law Member said that the zamindars have to pay peshkash. That is why we don't want to include them in the operation of this Bill. Mr. Raman Menon stated that Malabar tenants should be given the same privilege. But how can they pay? If the debts are all going to be settled by the Conciliation Board, how can they pay even their income-tax? I think, Sir, the Act will then be of no use at all. We have already safeguarded the interests of the zamindars by providing that rent should be treated as secured debt. Only we have provided for conciliatory steps being taken. With these observations, Sir, I oppose the amendment of the Hon. the Law Member. I also appeal to the zamindars to accept this position, as there won't be any difficulty in the matter of collections, because they have got vested privileges according to law."

\* Mr. K. KOTI REDDI:—"Mr. President, Sir, from the attitude the Government have been taking in this respect, I believe nothing is likely to come out of this Bill. Hon. Members who have spoken in favour of the amendment moved by the Government have forgotten one vital fact, namely, that the necessity for bringing in this Bill has risen out of the extraordinary situation in this country, due to the inordinate fall in the price of agricultural products which have been the means by which the ryots have been enabled to pay land revenue to the Government, rent to the zamindar and interest and principal due to the sowcar. I am sure that if that point is remembered, hon. Members who have given their support to the amendment will withdraw it. On account of the extraordinary fall in the price of agricultural products, the rents due to zamindars have also fallen into arrears during the last three or four years. So also, the money due to sowcars has fallen into arrears. If we are going to show any consideration for the relief of the ryot, I do not see how we can make a distinction between the debt due to the zamindar in the shape of rent and the debt due to the sowcar by the tenant. I may even go further and say that I cannot personally see any distinction between the rent paid to the zamindar and the land revenue paid to the Government. But there is this difference, that so far as land revenue is concerned, taking all calculations into account, it is at least four times less than the average rent demanded by the zamindar. (Rao Bahadur Sir A. P. Patro: 'The remedy is the Estates Land Act.') But we are dealing now with present circumstances. If a large amount of arrears is due to the Government, I would rather have that also included in this Bill; but I know very little is due to the Government in the shape of arrears of revenue."

"My Friend, Mr. Patnaik, said that the debt arises out of contract. But is that a ground for denying the ryot any relief that is possible under this Bill? The zamindars say they have ample sympathy for the tenants when it is a question of bartering away their rights to others; but when it affects them, I am afraid they are not budging even an inch. This House must consider deeply whether we are really going to give any relief to the ryot; if we are prepared to do that, there can be no distinction between the rent to be given to the zamindar and the debt to be given to the sowcar. Why should the sowcar suffer? What is the



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difference between a rich man and a rich zamindar? I cannot see any. If you are to show any concession to the ryot by touching one man, why not touch another? If you do not stand by sanctity of contract statutory arrangements that have been come to, can as well be disturbed; but if you really feel that the necessity has arisen for showing some consideration to the ryot, show it all through. I am not for favouring one man as against another. As I have already said, so far as Government are concerned, the hardship is not so much, because the amount of land revenue is small as compared to what the zamindar gets. If the zamindars are prepared to say that they will take only such amount as the Government are taking, I think hon. Members will be quite prepared to put them on the same level as the Government. So long as they are not prepared to do so, I am afraid we cannot show the same consideration to them as we have to show the Government in this respect."

\* Rao Sahib N. SIVA RAJ:—" Mr. President, Sir, there can be no doubt as to the position that was taken by the Government Member in moving this amendment. I thought, Sir, that so able and experienced a gentleman as the hon. Member from Coimbatore would have understood the position and supported the motion. On the other hand, I was surprised to see that he opposed it; and curiously enough, he was supported in his arguments by my Friend Mr. Koti Reddi, an able Barrister himself.

" Sir, in a sense it ought to be said that in this country the relationship between the landholder and the ryot has not been understood to the extent that it ought to be. For, I often see people treating the landholder in terms of the English landlord and the Indian ryot in terms of the English tenant. As has been pointed out by my Friend Mr. Patnaik who is an authority on the Estates Land Act, the relationship is not contractual, but it is really customary and it has now been placed on a statutory basis. If this is understood, then all these difficulties will not arise. In the first place, what is meant by rent? According to the history of all land systems in this country and according to the principle underlying the Estates Land Act, rent is nothing but land revenue paid to Government through the agency of the zamindar; and that has also been stated in another way when it is said that the zamindar is merely an assignee of the right of Government to collect land revenue. If my friend has no objection to exclude land revenue or anything recoverable as arrear of land revenue from the category of debt under this Bill; I do not see why the definition ought not to exclude rent.

" My second point in support of the motion is that rent has been made a charge on the holding of the ryot under the Madras Estates Land Act. For the first time in the history of tenancy legislation in this province, we know that when the Estates Land Act declared the rights of both parties, i.e., the ryots on the one hand and the landholder on the other, the one great substantive right conferred on the zamindar or landholder was this right of treating rent as a charge on the holding



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of the ryot. But so far as this definition goes, for all practical purposes, it takes away the difference that does exist between secured and unsecured debts, and in so doing, if you do not exclude rent from the category of debt under this Bill, it will amount to taking away the one right that was conferred on the landholders under the Estates Land Act.

“ There is also a third reason why I feel that this motion should be supported. Rent under the Madras Estates Land Act has practically become statutory in its nature. It is no more contractual; and even if it was customary at one time, it is no more so. For instance, take the question of enhancement of rent or commutation of rent. These have been controlled by statute, and a certain procedure has to be followed before a settlement can be effected. There is also a provision going to be made with regard to remission of rent. Taking all these points into consideration, one can clearly see that rent is not merely a matter of contract between two persons—the landlord and the tenant. If we do not accept the amendment, what will happen is that there will be a conflict between the Estates Land Act and the Debt Conciliation Bill. I think therefore that all the objections so far heard against the amendment have been merely raised with the idea of satisfying the tenant. Even if this motion is not carried, I think you will only be giving the tenants a sense of false security; for, under the provisions of the Madras Estates Land Act, rent can be recovered in many other ways. That is why I say I am in favour of this amendment, and I find there is no point in opposing it.”

MAHBOOB ALI BAIG SAHIB Bahadur:—“ Mr. President, it is 12.45 p.m. obviously unfair to include the rent payable to the zamindars under the definition of ‘ debt ’ under the provisions of this Bill. As my hon. Friend, Mr. Siva Raj pointed out, there is practically no difference between the rent payable to the zamindar and the land revenue payable to the Government. I am sure, hon. Members are aware how the system of landlord and tenant came into vogue in this country and it is also well known that the zamindar is a mere assignee of the land revenue payable to the Government. Most of them were farmers of rent, some of them were poligars or military chiefs who were assigned the land revenue payable to the Government in lieu of the services rendered by them to the Government. Therefore, Sir, there is no difference at all between the rent payable to the zamindar and the land revenue payable to the Government. After the permanent settlement of 1802, the estates were settled upon the zamindars and a sort of contractual relationship came to be established between the zamindars and the tenants and that is the reason why we find enhanced rents being collected by the zamindars from the tenants. When this legislature is thinking of reducing the rent payable by the tenant to the zamindar on a sliding scale according to the value of the agricultural produce, there is no meaning in urging that the rent payable by the tenant to the zamindar should be included in the term ‘ debt ’ under this Bill. If you want to seek any remedy for this, the Bill which my hon. Friend, Mr. Patnaik has brought forward will be the relevant Bill where any remedy for reducing the enhanced rate of interest that is



[Mr. Mahboob Ali Baig] [5th November 1935]

being at present paid by the tenants to the zamindars could be sought. But, as I have already submitted, there is no difference between the rent and land revenue. If any excess is extracted by the zamindar from the tenant that can be remedied under the Bill to amend the Madras Estates Land Act which has been introduced by Mr. Patnaik.

"Another reason why I should think that this amendment should be supported is, whereas in the case of the revenue due to Government provision has been made under the rules framed by the Government for granting remissions, in regard to enhancement of rent so far as the zamindari tenants are concerned, we are thinking of framing rules under the Madras Estates Land Act. So, when we are thinking of providing for a sliding scale of rent according to the prices of agricultural produce, there is no reason why the rent payable by the tenant to the zamindar should be made subject to alterations. As a matter of fact, zamindars also pay their peshkash, which is the land revenue payable by the zamindars to the Government. Instead of the tenants themselves paying the rent to Government, the zamindars get the rent from the tenants as agents. As I have already stated, on account of historical circumstances the zamindars were liable to pay peshkash, and unless the Government are persuaded to reduce the peshkash there is no reason why we should ask them to reduce the rent payable to them, especially in view of the fact that we are going to provide for a proper remedy under the Estates Land Act."

\* Mr. V. P. NARAYANAN NAMBIYAR:—"Mr. President, Sir, I support the amendment before the House. Though I have nothing to add to the weighty reasons that have been urged by the hon. Member from Ganjam and the hon. Member from Malabar, I should like to answer two points that have been raised by my hon. Friend from Cuddapah, Mr. Koti Reddi. He said, the Hon. Gentleman—the Law Member has forgotten a very vital point—the extraordinary situation that is now prevailing. Sir, this is a Bill conceived in the best interests of agricultural indebtedness and with the object that it should enure to the benefit of the people for all time. It is not an ordinance meant to last for a year or two to meet an exceptional situation. Again, this is not an amendment which admits of an inquiry into the relationship between landlords and the tenants. If we accept the fundamental position that rent is but the enjoyment of one's own share through the agency of another, then there would be no difficulty. Sir, I support the amendment and join in the request of my hon. Friend, Mr. Raman Menon, that rent payable under the Malabar Tenancy Act be also excluded."

\* Diwan Bahadur A. APPADURAI PILLAI:—"Mr. President, Sir, the revenue payable to Government by the zamindar and the rent payable by the tenant to the zamindar amount to the same thing; one is called revenue governed by the Revenue Recovery Act, 1864, and the other is termed 'rent' governed by the Rent Recovery Act VIII of 1865. Both the Acts were passed almost simultaneously, one to safeguard the collection of revenue and the other Act VIII of 1865 to



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safeguard the collection of rent. Latterly, as the House knows, Act VIII of 1865 was replaced by the Madras Estates Land Act, 1908, and this Act has been considered on the floor of this House on several occasions. The hon. Members may very well know how the position of the landlord and the tenant came to be regularized by the provisions of the Estates Land Act. Whatever may be the case, revenue payable to Government and rent payable to the zamindar or inamdar or whoever the intermediary, partake of the same nature and they are identically the same. In the amendment it is proposed to take out of the purview of the definition of 'rent' land revenue or anything recoverable as an arrear of land revenue for the simple reason that land revenue is a primary charge in the land and as it is payable to Government it takes precedence over all other items, and that is the reason why, whoever may be the owner of the land and whoever happens to be the occupier of the land, Government have got the first and primary claim over the land regardless of the fact whoever pays the amount and whatever be the other encumbrances upon the property. Is it not fair, Sir, that when the landholder or the zamindar comes in between the Government and the ryot, the amount that is due from the ryot should also be treated in the same way as land revenue and be made the first claim upon the land? It is with that object, I take it, that the Hon. the Law Member has moved this amendment. The direction indicated in the amendment, namely, that the privilege attached to land revenue should in all fairness be extended also to rent, because just as land revenue happens to be the first claim on the land regardless of other encumbrances, so also rent payable to the zamindar will have to be treated as the first charge. We all know the ryot in a zamindari tract is called a tenant while the ryot in a ryotwari area is called a ryot. In ryotwari areas we have got the Government and the ryot. In zamindaris there is the intermediary in the person of the zamindar, who takes upon himself the responsibility of collecting the amount from the cultivator and paying it to the Government, and he ought not to be placed in any inconvenient position merely because he undertakes the responsibility of collecting the revenue on behalf of the Government. He has himself got to pay to the Government his share of the rent in the shape of peshkash in return for the amount he collects from his tenants. It is therefore very necessary that any concession or liberty shown to land revenue should in fairness be equally shown to the zamindar's rent as well. With these remarks, I heartily support the amendment moved by the Hon. the Law Member."

Diwan Bahadur T. A. RAMALINGAM CHETTIYAR :—" Sir, I just want to add one word. Both in the Central Provinces Act and in the Punjab Act which provide for Conciliation Boards, debt due to the landholder is not excluded, and in the Bill that is drafted by the Bengal Government and is under the consideration of the Bengal Legislative Council rent that is due is not again excluded. That is a point which I would ask the House to take into consideration. There have been two legislations already and another pending, and in none of these, rent due to the landholder is excluded. I will only add that while the zamindars



[Mr. T. A. Ramalingam Chettiyar] [5th November 1935]

have been showing a lot of lip sympathy to the tenants wherever they go, if they are going to insist that rent ought to be taken out of the Bill, the real effect of the sympathy will be seen, and it will mean that they are prepared to be generous at the expense of others and not at their own expense."

\* The Hon. Sir K. V. REDDI NAYUDU:—"Mr. President, the expression of opinion on the part of so many members of this House is a clear indication that the amendment is in the right direction. My hon. Friends, Mr. Muthu Chettiyar, Sir Patro, Messrs. Raman Menon, Patnaik, Siva Raj, Narayanan Nambiyar and Appadurai Pillai clearly met many of the points raised by those three or four members who were in opposition to the amendment. It does not therefore require many arguments from me to support my original amendment. My hon. Friend Mr. Ramalingam Chetti started with the definition that money due is debt. Perhaps if he was relying upon the derivation of the word 'debt' he might be correct. But, Sir, surely his definition will land us in very serious difficulties. Take for instance a decree for damages in tort. A man breaks his leg and he goes to a court and gets a decree for damages either from the Municipality or somebody; that will certainly be money due to him. Would the hon. Member seriously contend that these decrees of court would have to be brought in as debts and treated by this board. (Mr. K. Koti Reddi: 'Undoubtedly'.)

1 p.m. "That has not been my conception when I read the Bill. It was never intended that a court decree of that kind should also be brought in here. The basic principle of debt, for the relief of which this Bill is intended, is that money for purposes of interest is lent to others by the creditor of his own free choice as a sort of business. It is in such cases alone, I thought that the Bill was intended to be operative.

"As has been remarked by one or two hon. Members, it is not a voluntary act on the part of the zamindar to give certain lands to a tenant. It is by the operation of the statute that all those who were actually in possession on a particular date, to wit, 1st July 1908 got occupancy rights and by virtue of that they will have to pay rent. The rent is, therefore, a statutory due recognized by an Act of the Legislature and no choice is left to the zamindar to turn out the tenant from the land. On the other hand, the creditor has the choice of lending money or not. It is open to him to refuse the loan. But can a zamindar refuse to allow a man to remain on the land so long as he has the occupancy right, or his ancestors had the right from before 1st July 1908? There is absolutely no analogy between the zamindar and the money-lender.

"As regards the other points, they have been fully dealt with by other hon. Members, especially that argument that no reasonable distinction can be drawn between land revenue on the one hand and rent due to the zamindar on the other. It has been pointed out that the zamindar is only an intermediary. He pays to the Government a portion of the amount which at one time used to be paid by the tenant.



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Simply because the Government gave the melvaram right of it to the zamindar it does not alter the position. The rent payable by the tenant, therefore, is exactly on a footing with the revenue which is paid to the Government and it will be unfair and unjust to make any distinction.

"My hon. Friend Mr. Ramalingam Chettiyar said that there are provisions in this Bill which exclude rents for all practical purposes from the definition of debt. He has pointed out that this is a charge on the land; and secured debts are made, expressly or by implication, so invulnerable that if the creditor does not come to an agreement, it will no longer bar him from recovering his debts. That is no doubt true. The reason why the zamindars want this amendment and the Government support them is this. There is any amount of delay caused by these proceedings. When an amount is to be recovered, mark you it is not through the courts—it is by a special procedure provided by the Estates Land Act. It is open now to the tenant to go to the board. Under the provisions of this Bill, the amount cannot be recovered even in a court of law and the procedure has to be gone through. It might be one year; and we have in fact provided for one year. Is it fair that the zamindar should be precluded from getting his rent within one year and if so, what will be his position and his capacity to pay peshkash to the Government? It is said 'so do the money-lenders borrow their money'. But in their case it is a voluntary act. He borrows of his own accord and lends it of his own free will. It is not insisted upon by law. It is not so in the case of the zamindar. (A hon. Member: 'When the amounts were lent, this Bill was never thought of'.) That does not alter the position. He has taken to it as a business and he must take the consequences. I think, Sir, there is absolutely no sound or good reason to show that the amendment is wrong."

\* The Hon. the RAJA OF BOBBILI:—"Mr. President, after having heard the arguments against this amendment I wish to make a few remarks. I will, first of all, request hon. Members to realize that the very principle of this Bill is to provide some sort of remedy for the extraordinary state of affairs owing to the economic depression which has affected not only this country but other countries in the world. Land values and the value of produce have gone down to what they were 4 or 5 years ago. The intention of this Bill is to give some kind of relief to those who borrowed money in the past before the economic depression set in. It follows that the relief we propose to give in this Bill should be to those debtors who borrowed money before the economic depression set in and I do not see how rents under the Estates Land Act can be included by any stretch of imagination under the definition of debts. This Bill is intended to meet cases of debts contracted by borrowing money. As regards rent, it is fixed by statute and the statute also fixes the rate of interest that can be claimed for arrears. I do not see how those who are opposing this amendment consider that they are really helping the ryots except in thinking



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that any difficulty placed in the way of the laudholders from realizing their rent will indirectly be helping the tenants. As some hon. Members have stated, whatever may be the award it is open to the landholder either to agree or not. The second proviso to clause 12 states as follows:—

‘Provided further that when a secured creditor does not agree to the settlement, such settlement shall not affect his right to proceed against the secured property.’

“The net result would be that an inducement would be given to the ryot not to pay his rent in due time and he hopes by going to the Conciliation Board, he can get some material benefit. After all delay, he will have to pay his dues plus interest in addition to the normal rent. I am afraid that if rent is not excluded from the definition of debt, it will neither be to the advantage of the ryots nor to the landholders.

“It is not a question of showing sympathy to the tenants. In the interests of both the tenants and the landholders, it is necessary that we should not raise any obstacle in the realization of rents.

“My hon. Friend Mr. Koti Reddi said that he wanted to treat this amendment as a test whether zamindars are really in sympathy with the tenants or not. I must state for his benefit that even without his intervention and advocacy, there are many zamindars who have realized the difficulties of the tenants and have given them remissions and other facilities to help the tenants to tide over their difficulties. I would, therefore, submit that it is against the principles of this Bill to include rent under the definition of debts because it is not a case of contracting debts by borrowing. I appeal to the House to accept the amendment.”

The amendment was put and declared carried.

A poll was demanded and the bell was rung.

Mr. T. B. Russell entered the Chamber at that time.

Mr. P. V. KRISHNAYYA CHOUDARI:—“May I know, Sir, if the hon. Member can take part in the voting?”

The Hon. the PRESIDENT:—“He was in the hall when the bell ceased ringing.”

The House divided thus:

### Ayes.

|                                    |                                   |
|------------------------------------|-----------------------------------|
| 1 The Hon. Sir K. V. Reddi Nayudu. | 10 Mr. W. Scott Brown.            |
| 2 “ Rao Bahadur A. T. Pan-         | 11 “ H. R. Uzielli.               |
| nirselvam.                         | 12 “ C. E. Jones.                 |
| 3 “ Mr. C. A. Souter.              | 13 “ G. T. Boag.                  |
| 4 “ Mr. G. T. H. Bracken.          | 14 “ R. Madanagopal Nayudu.       |
| 5 “ Diwan Bahadur S. Kuma-         | 15 “ T. B. Russell.               |
| raswami Reddiyar.                  | 16 “ T. Sundara Rao Nayudu.       |
| 6 “ Mr. P. T. Rajan.               | 17 Khan Sahib Syed Tajuddin Sahib |
| 7 “ the Raja of Bobbili.           | Bahadur.                          |
| 8 Diwan Bahadur C. Natesa Mudali-  | 18 Rao Bahadur R. Srinivasan.     |
| yar.                               | 19 Diwan Bahadur A. Appadurai     |
| 9 Mrs. K. Alamelumangathayaramma.  | Pillai.                           |



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*Ayes—cont.*

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|------------------------------------------------|--------------------------------------------------|
| 20 Mr. M. Devadasan.                           | 42 Khan Bahadur T. M. Moidoo Sahib Bahadur.      |
| 21 Rao Sahib N. Siva Raj.                      | 43 Mr. M. Vedachala Mudaliyar.                   |
| 22 Mr. W. K. M. Langley.                       | 44 Rao Sahib D. V. Narasimhaswami.               |
| 23 The Zamidar of Kirlampudi.                  | 45 „ Pandit Ganala Ramamurti.                    |
| 24 Mr. P. V. Rajagopala Pillai.                | 46 Mr. K. Kesavaramamurti Nayudu.                |
| 25 „ V. G. Vasudeva Pillai.                    | 47 „ M. B. Rangaswami Reddi.                     |
| 26 „ G. E. F. Foulkes.                         | 48 Rao Bahadur P. C. Muthu Chettiyar.            |
| 27 „ G. Simhachalam Pantulu.                   | 49 Mr. C. Basu Dev.                              |
| 28 „ P. K. Ramachandra Padayachi.              | 50 Subadar-Major S. A. Nanjappa Bahadur.         |
| 29 Rao Sahib V. Dharmalingam Pillai.           | 51 Mr. V. P. Narayanan Nambiyar.                 |
| 30 Rao Bahadur D. Krishnamurti.                | 52 „ K. P. Raman Menon.                          |
| 31 „ Sir A. P. Patro.                          | 53 Diwan Bahadur C. S. Ratnasabhapati Mudaliyar. |
| 32 Sriman M. G. Patnaik Mahasayo.              | 54 The Zamindar of Chemudu.                      |
| 33 The Raja of Khallikote.                     | 55 Mr. G. R. Premayya.                           |
| 34 Khan Bahadur Mahmud Schamnad Sahib Bahadur. | 56 „ P. M. Thangal.                              |
| 35 Diwan Bahadur A. M. M. Murugappa Chettiyar. | 57 Rai Sahib C. Kolanda Reddi.                   |
| 36 The Zamindar of Mirzapuram.                 | 58 Diwan Bahadur S. Ellappa Chettiyar.           |
| 37 The Zamindar of Bodinayakkanur.             | 59 Mr. Mahboob Ali Baig.                         |
| 38 Mr. G. Sriramulu.                           |                                                  |
| 39 „ J. Kuppuswami Choudari.                   |                                                  |
| 40 „ C. Indrayya.                              |                                                  |
| 41 „ K. Pattabhiramayya.                       |                                                  |

*Noes.*

- |                                             |                                        |
|---------------------------------------------|----------------------------------------|
| 1 Diwan Bahadur T. A. Ramalingam Chettiyar. | 9 Mr. K. A. Nachiyappa Gounder.        |
| 2 Mr. T. C. Srinivasa Ayyangar.             | 10 „ G. Rameswara Rao.                 |
| 3 „ T. S. Ramaswami Ayyar.                  | 11 „ U. C. Subrahmanya Bhatt.          |
| 4 „ V. T. Arasu.                            | 12 Mrs. A. Rukmani Lakshmiipathi.      |
| 5 B. Pocker Sahib Bahadur.                  | 13 Mr. P. Ratnavelu Thevar.            |
| 6 Mr. M. A. Manikkavelu Nayakar.            | 14 Rao Bahadur R. K. Venugopal Nayudu. |
| 7 „ K. Ahmed Meeran.                        | 15 Mr. K. Koti Reddi.                  |
| 8 „ P. Peddi Raju.                          | 16 „ P. V. Krishnayya Choudari.        |

*Neutral.*

- 1 Rao Bahadur B. P. Sesha Reddi.

*Ayes 59. Noes 16. Neutral 1.*

The motion was carried.

\* Mr. G. R. PREMAYYA:—“ I move—

‘ In lines 5 and 6 for the words “ but shall not include arrears of of wages ” substitute the following:—

“ and shall include arrears of agricultural wages but shall not ”.

“ Sir, Mr. Ramalingam Chettiyar’s Bill is a copy of the Punjab Bill. The conditions may differ in the two places. In the Select Committee several sections were moved to suit the conditions of this Presidency. So I have suggested this amendment to suit the condition of our labourers of this Presidency. Sir, this Bill as it is drafted is no use for the agricultural labourers and wage earners. These agricultural labourers agree with the ryots that they may be paid their salaries or wages in kind. Generally these wage earners work for the whole year and when the ryot thinks that he cannot pay

1-15  
p.m.



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he picks up a quarrel and then the employee is out. Generally, Sir, the employee cannot go to the court and he simply changes the landlord and earns his livelihood. To protect such people I have given notice of this amendment. Some of my friends think that this is a dis-service done to the community. But I have known it in the villages that on several occasions the members of the depressed classes who work under big ryots forego the poor wages due to them. In such cases I want to protect them by introducing this amendment in the Bill. This is very modest and very reasonable amendment and the Hon. the Law Member will be doing a great service to this class of people if he accepts my amendment. Sir, several of the small ryots who own very little land come to delta taluks and live as agricultural wage earners. Such people will not be protected at all if my amendment is refused. So I think that the Hon. the Law Member will have very little difficulty to accept my amendment."

Mr. P. V. KRISHNAYYA CHOUDARI:—"I second my friend's amendment. But I want to bring it to the mover's notice that he is doing a dis-service because we have provided for the safeguards for the wage earners. If this is to be added the wage earners will get a small moiety, an anna or so in the rupee. I want to bring it to the notice of the mover."

The Hon. the PRESIDENT:—"The hon. Member would have done better service by not seconding it."

\* Diwan Bahadur T. A. RAMALINGAM CHETTIYAR:—"Mr. President, it is not in the view that the wage earner should not have the benefit of the Bill that he is excluded. The reason for the exclusion is this. As in most cases, the wage earners cannot afford to wait to go to the conciliation board to get relief under this Bill or any other. The mover will also note that once the application is filed nothing can be done till the whole thing is disposed of in a year. That means the wage-earner will have to wait for one year to get his wages. It is not doing him any service to add his wages in the Bill. So I would ask the mover to withdraw the amendment."

\* Mr. M. DEVADASAN:—"My Friend Mr. Premayya said that the present Bill is a copy of the Punjab Bill. (A voice: 'The Punjab Bill was passed later.') Then both this Bill and the Punjab Bill might have a common origin. There is a provision in the Bill for the agricultural wages to be also included. I must point out that what is good in one province may not be good in another province. Agricultural labourers do their work and ought to get their wages. It may be possible that in some cases there are dues to be recovered from their masters. Of course, most of the people do not resort to courts when they do not get the sum; if they go to court then there will be multiplicity of suits and the wage-earners cannot successfully prosecute their cases. It is often amicably settled between landlords and tenants. As the previous speakers have pointed out, I submit that the inclusion will make their position worse than what it is at present. If this amendment is accepted more dis-service could not be done to

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the community whom my friend and myself represent here. If this is accepted the wage-earner cannot get as much as he would get in ordinary courts. It might come to one anna or two annas in the rupee and this will not be any service to him. This amendment is therefore against his interest and I will ask him to withdraw it."

Sriman M. G. PATNAIK Mahasayo:—"Sir, we are all surprised that Mr. Premayya should have brought forward this amendment. His real object seems to be to place before this House the difficulties the wage-earners are put to in the villages. They find it extremely difficult to realize their wages and he thinks if the conciliatory board is constituted the wage-earner can go to it and realize something. Otherwise they cannot go to courts and realize. But it will be doing some service to include this in the definition of debt. But he must remember that unless the debtor himself makes the application the wage-earner cannot go to the conciliatory board and so his object cannot be gained. So it is no good to pursue his amendment."

\* The Hon. Sir K. V. REDDI NAYUDU:—"Mr. President, Sir, the matter is not so very easy as it is sought to be made by some of the hon. Members. There are both advantages as well as disadvantages. The advantage is that the man need not go to a court of law. He need not engage a vakil and stand the chance of fighting a man not at arms length but who is decidedly superior to hold his position. And then if he goes to the board the advantage is he need not pay any stamp duty or need pay only a small stamp duty and there is the possibility of the board taking a lenient view. But on the other hand there is the danger of reducing the dues to a small amount. I will state there is the advantage of saving costs, saving trouble of judicial court, saving pleaders fee and so on. On the other side there is the risk of the amount being scaled down, because the main object of this Bill is to scale down the debt due. What I say is, hon. Members who represent or claim to represent these labour classes might consult before lunch is over and let us know. So far as Government are concerned they will be entirely neutral in the matter."

At this stage the House rose for lunch.

After Lunch (2-30 p.m.)

\* Mr. G. R. PREMAYYA:—"Mr. President, Sir, accepting the advice of the Hon. the Law Member, I consulted several of my friends, but their opinion was much divided and several of the Members could not understand what I wanted. I again explain that if the labourer is dispensed with at the end of a year without his wages being paid, how is he to be protected? I speak for those who earn Rs. 100 and above as yearly wage. If these people are not to be protected by this Bill, I do not know how this measure can be called a beneficial one. Even the rich ryots now cannot go to court; when that is the case, how can you expect the small labourers to go to court to recover their dues? They have very little money to spend. I only want somebody to suggest to me as to how this man is to be protected. If anybody would suggest any course, I am ready to withdraw my amendment."



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The Hon. the PRESIDENT:—"No suggestion forthcoming, is the hon. Member prepared to say anything more?"

Mr. G. R. PREMAYYA:—"At least I expected some promise from the Hon. the Law Member, because nothing is said here to protect such people."

The Hon. Sir K. V. REDDI NAYUDU:—"I do not know, Mr. President, what I can promise in the matter: no proposition has been placed before me to accept or reject. I see difficulty either way. If the hon. Member wants the Government to be neutral, Government will be neutral on the vote that may be taken."

The amendment was put and declared lost.

Mr. G. R. Premayya asked for a poll, and the House divided thus:—

*Ayes.*

- |                                |                                                  |
|--------------------------------|--------------------------------------------------|
| 1 Rao Bahadur R. Srinivasan.   | 9 Rao Sahib V. I. Muniswami Pillai.              |
| 2 Mr. G. Simhachalam Pantulu.  | 10 Mr. C. Basu Dev.                              |
| 3 " G. Sriramulu.              | 11 " K. P. Raman Menon.                          |
| 4 " C. Indrayya.               | 12 Diwan Bahadur C. S. Ratnasabhapati Mudaliyar. |
| 5 " K. Pattabhiramayya.        | 13 Mr. G. R. Premayya.                           |
| 6 Rao Sahib C. Jayaram Nayudu. | 14 " P. M. Thangal.                              |
| 7 " D. V. Narasimhaswami.      | 15 Rai Sahib C. Kolanda Reddi.                   |
| 8 Mr. M. B. Rangaswami Reddi.  |                                                  |

*Noes.*

- |                                             |                                               |
|---------------------------------------------|-----------------------------------------------|
| 1 Diwan Bahadur A. Appadurai Pillai.        | 14 Mr. K. Ahmed Meeran.                       |
| 2 Mr. M. Devadasan.                         | 15 Rao Sahib Pandit Ganala Ramamurti.         |
| 3 Rao Sahib N. Siva Raj.                    | 16 Diwan Bahadur A. M. M. Murgappa Chettiyar. |
| 4 Sir William Wright.                       | 17 The Zamindar of Mirzapuram.                |
| 5 Mr. W. K. M. Langley.                     | 18 Rao Bahadur T. M. Narayanaswami Pillai.    |
| 6 Rao Bahadur B. P. Sesha Reddi.            | 19 Mr. U. C. Subrahmanya Bhatt.               |
| 7 Mr. V. G. Vasudeva Pillai.                | 20 Mrs. A. Rukmani Lakshmipathi.              |
| 8 " G. F. Foulkes.                          | 21 Mr. P. Ratnavelu Thevar.                   |
| 9 Diwan Bahadur T. A. Ramalingam Chettiyar. | 22 " K. Koti Reddi.                           |
| 10 Mr. T. C. Srinivasa Ayyangar.            | 23 Diwan Bahadur S. Ellappa Chettiyar.        |
| 11 " T. S. Ramaswami Ayyar.                 |                                               |
| 12 " V. T. Arasu.                           |                                               |
| 13 Rao Bahadur P. C. Muthu Chettiyar.       |                                               |

*Neutral.*

- |                                            |                                                |
|--------------------------------------------|------------------------------------------------|
| 1 The Hon. Sir K. V. Reddi Nayudu.         | 13 Mr. G. T. Boag.                             |
| 2 " Rao Bahadur A. T. Pan-nirselvam.       | 14 " R. Madanagopal Nayudu.                    |
| 3 " Mr. C. A. Souter.                      | 15 " T. B. Russell.                            |
| 4 " Mr. G. T. H. Bracken.                  | 16 " T. Sundara Rao Nayudu.                    |
| 5 " Diwan Bahadur S. Kumaraswami Reddiyar. | 17 The Zamindar of Kirlampudi.                 |
| 6 " Mr. P. T. Rajan.                       | 18 Mr. P. V. Rajagopal Pillai.                 |
| 7 " the Raja of Bobbili.                   | 19 " P. K. Ramachandra Padayachi.              |
| 8 Diwan Bahadur C. Natesa Mudaliyar.       | 20 Rao Sahib V. Dharmalingam Pillai.           |
| 9 Mrs. K. Alamelumangathayaramma.          | 21 Rao Bahadur Sir A. P. Patro.                |
| 10 Mr. W. Scott Brown.                     | 22 Sriman M. G. Patnaik Mahasayo.              |
| 11 " H. R. Uzielli.                        | 23 Khan Bahadur Mahmud Schamnad Sahib Bahadur. |
| 12 " C. E. Jones.                          | 24 Mr. J. Kuppuswami Choudari.                 |
|                                            | 25 " P. Peddi Raju.                            |
|                                            | 26 " T. Narasa Reddi.                          |

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*Neutral—cont.*

|                                          |                                  |
|------------------------------------------|----------------------------------|
| 27 Mr. H. M. Jagannatham.                | 29 Mr. V. P. Narayanan Nambiyar. |
| 28 Subadar-Major S. A. Nanjappa Bahadur. | 30 „ P. V. Krishnayya Choudari.  |
|                                          | 31 „ K. Kesavaramamurti Nayudu.  |

*Ayes 15. Noes 23. Neutral 31.*

The amendment was lost.

Mr. V. P. NARAYANAN NAMBIYAR:—“The Hon. the Law Member suggests that amendments 5, 6, 6-A and 9 might be taken up along with item 33. I agree to that.”

The Hon. Sir K. V. REDDI NAYUDU:—“I submit that amendments 5, 6 and 9 in the printed list and item 6-A in the second list go together, and the main proposition is in item No. 33, which seeks to delete the second proviso in that clause. These are minute points, so we can take these items when we come to No. 33.”

\* The Hon. the PRESIDENT:—“I think the House is agreed upon that postponement.”

The House signified its assent and the items were postponed.

*Clause 2.*

*Sub-clause (g).*

The Hon. Sir K. V. REDDI NAYUDU:—“I beg to move—

*‘in sub-clause (g), in line 1, for the words “person who” substitute “person*

*(i) who,”*

*in line 5, for the words “otherwise whose” substitute “other-*

*wise; and*

*(ii) whose.”*

“This is only a drafting amendment.”

The Hon. Mr. C. A. SOUTER:—“I second it.”

The amendment was put and carried.

Rai Sahib C. KOLANDA REDDI:—“What about my amendment to sub-clause (f), Sir?”

\* The Hon. the PRESIDENT:—“I wish to inform the hon. Member that amendments Nos. 5, 6 and 9 in the list printed and amendment 6-A in the list roneoed and circulated will be postponed until we reach the amendment to delete the second proviso to sub-clause (1) of clause 12.”

Rao Bahadur Sir A. P. PATRO:—“What about my amendment to omit the words in sub-clause (g), viz., ‘or landholder whether he cultivates the land personally or otherwise.’?”

\* The Hon. the PRESIDENT:—“It will be taken up after the amendment of Mr. R. Srinivasan to this sub-clause is disposed of.”

Rao Bahadur R. SRINIVASAN:—“Sir, I move—

*‘In lines 5 and 6, for the words “one hundred” substitute the word “ten.”’*

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p.m.



[Mr. R. Srinivasan] [5th November 1935]

“Sir, I have moved this amendment to enable the small debtors who are generally tenants or labourers to approach the board. Labourers who are indebted to their landlords are kept in their services for generations under threat of evicting them from their house-sites and dwellings and sale of their cattle. I hope the hon. Members of the House will take pity on the poor people and agree to this amendment.”

Rao Sahib V. I. MUNISWAMI PILLAI:—“I second it.”

Diwan Bahadur T. A. RAMALINGAM CHETTIYAR:—“The reason why these small debtors have not been brought within the scope of the Act is that it will be putting these poor people to unnecessary trouble and delay to ask them to appear before the board and prove their assets and liabilities. While we have all sympathy for the poor labourer who may be denied his wages, if we bring him under the scope of this Bill, we will be doing him not good but harm.

“Further, if even Rs. 10 is to be allowed as the basis for an application, the number of applications before the board will increase enormously and it will be impossible to provide an agency to deal with them. Even as it is petitions take sometimes five years before they are disposed by insolvency courts. Under this provision we are following more or less the same procedure as insolvency petitions. Such being the case, can a man from whom Rs. 10 or Rs. 20 is due afford to go and appear before the board several times in the course of one year? That is the reason why a limit has been fixed.”

\* Mr. M. DEVADASAN:—“Sir, this is a case in which I feel that I am unable to see eye to eye with my hon. Friend, Mr. Srinivasan. The conciliation board can take cognizance of cases on which debts exceed Rs. 100. In my opinion that figure is too small and should be raised to Rs. 500 which is the amount of liability admissible in an insolvency court. The Bill has embodied provisions of law borrowed from several Acts. Even as it is, the Bill will tend to do injury to the people and it will affect the credit of the country. If a man who is in need of money asks somebody to lend him money, the lender may be unwilling to lend money on the ground that the borrower might be going to the conciliation board the next day and throw himself to the mercy of that body. As such there will be great difficulties caused by amendments like this. I feel sorry that the Bill does not confer any benefit whatsoever upon the lenders or upon the borrowers. On the other hand it is likely to complicate the matters and the people who are in urgent need of money may not raise a pie if we apply the Act to cases where the debt is Rs. 10 or more.

“Sir, though I have not given notice of any amendment to this clause, if I may do so, I would suggest that even this minimum of Rs. 100 provided in the Bill should be raised considerably in the interests of justice and expediency. I oppose the amendment moved by my hon. Friend, Mr. Srinivasan, as it will adversely affect the poor people and request him to withdraw it.”



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The Hon. Sir K. V. REDDI NAYUDU:—" May I say one word, Sir? The difficulty of my hon. Friend, Mr. Srinivasan, seems to be that ordinarily small debts of Rs. 5 and Rs. 10 are incurred, but that the wonderful creditors manage to increase the sums to Rs. 200 or Rs. 300. That seems to be his main complaint. I may tell him that if a debt exceeds Rs. 100—does not matter how it came to that figure—it will come under the purview of the Act. Therefore there will be no difficulty. If there is any case in which a man lending Rs. 10 somehow manages to develop it into Rs. 100, it will come under the Bill. But, so long as it is only Rs. 99-15-0 it cannot come under this Bill. I think the difficulty he anticipates will not arise. He may therefore withdraw his amendment."

The amendment was, by leave, withdrawn.

\* Rao Bahadur Sir A. P. PATRO:—" Sir, I move—

*'In sub-clause (g), omit the following words, namely:—*

*"or landholder whether he cultivates the land personally or otherwise."*

"This Bill is intended for the relief of agriculturists and for that purpose to make provision for the setting up of conciliation boards. That being the case, where is the necessity for bringing in the landholders? The hon. Mover of this Bill will consider that point. One zamindar lends to another zamindar Rs. 50,000. Does that debt come under the provisions of this Bill? There is only one debtor and one creditor and there is a mortgage held by one zamindar against the other zamindars. In this Bill there is no limit fixed with regard to debts. In the Central Provinces Bill and in the Punjab Bill Rs. 20,000 has been fixed as the limit. In this Bill there is no limit prescribed. The Select Committee thought it better to omit any limit and the omission of this limit prescribed in the other Acts leads to this difficulty, viz., if a zamindar lends to another zamindar, what is to be the position of the creditor and the debtor. Nowhere in the Bill do you find any solution for that. A 'landholder' says the Bill, 'shall be taken to mean all persons holding under a Sanad-i-Milkiyat-i-istimrar, all other zamindars, shrotriyamdars, jagirdars, inamdars and all persons farming the land revenue under Government.' This definition is taken from a portion of the definitions in the Estates Land Act. But by applying that definition to a landholder in this Bill, you will create a lot of difficulties. Therefore if you omit the words 'or landholder whether he cultivates the land personally or otherwise' and restrict it only to occupancy tenants or pattadars who are actually cultivating the land, the whole thing becomes quite clear. Otherwise, as defined in the Bill, it is meaningless. I therefore took an extreme case as an illustration. Here is one landholder debtor. He will not come under this Bill. It is necessary that there should be 40 per cent of the debtors applying for it and so on.

"In the case of a single debtor the difficulty arises as to whether 3 p.m. he is a man who actually cultivates the land or not. My friend says



[Sir A. P. Patro]

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that more than 40 per cent of the debtors come under this category. Therefore it is quite apparent on the face of it that the term 'landholder' is not comprehensive and would not be helpful for the purpose of the administration of this Act. If a landholder who is not a cultivator is a debtor, the question arises as to how his debts could be adjusted. Hence it is necessary that this provision should be confined to people who are occupancy tenants or land-owners who are cultivating the lands personally. If the scope of the clause is not restricted, it has no meaning."

\* Rai Sahib C. KOLANDA REDDI:—"I beg to second this motion. The definition of the word 'debtor' is rather wide and I am afraid it will cover everybody under the sun on God's earth. If the words 'or landholder whether he cultivates the land personally or otherwise' are deleted, it will only apply to agriculturists. There are so many who masquerade under the name of 'agriculturists.' To them it will not apply if this amendment is carried. We have consulted some of the aristocrats and the plutocrats. They are amenable to the suggestion that relief must be afforded to the ryot at the present moment and they are so sympathetic as to make sacrifices in matters which really concern the agriculturists. By agriculturists I mean the real, genuine ryot who ekes out his livelihood by agriculture. All the rest are pseudo-agriculturists. If this amendment is carried, the word 'debtor' will be restricted to the ryot and ryot alone. I think many of my friends who promised to show their sympathy to persons who are really agriculturists will exhibit that in a tangible manner by accepting this amendment. With these words I am glad to second the motion made by my hon. Friend, Sir Patro."

\* The ZAMINDAR OF MIRZAPURAM:—"Sir, I rise to oppose the motion made by my hon. Friend, Sir Patro. If this amendment is accepted it would mean that we are excluding a large class of persons who depend upon agriculture and who under the Estates Land Act come under the definition of 'landholders.' I do not think, Sir, that it is fair to exclude a large number of persons such as the inamdars, the aghaharamdars and small landholders. I request the Government and the framer of the Bill not to accept this amendment."

Diwan Bahadur T. A. RAMALINGAM CHETTIYAR:—"Sir, one has only to read the definition of the word 'landholder' with the amendment that is sought to be introduced to find out what difficulties it would lead to, if this amendment is accepted. As the word 'landholder' includes the ordinary ryot who cultivates the land, we will be excluding all the ryotwari landholders as well as the landholders under the Estates Land Act. It was pointed out in the Select Committee that a person, though he does not actually cultivate the land, but depends on agricultural income, should also be treated as an agriculturist and so it was thought necessary that the definition of the word 'debtor' should include them. Now if this amendment is carried the ryotwari-landholders who cultivate their lands as also those who let out their lands on lease will be excluded from the operation of this Bill

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and also the owners of estates, whether they are zamindaris or inams or owners of some other estate. Only the tenants under the pattadars in the ryotwari area and the tenants in the estates will come under the operation of the Bill. I do not think that that is the intention of the mover of the amendment. But that unfortunately will be the result of the amendment if it is accepted.

"Then it is stated that this Bill is intended for giving relief to the tenants. In many cases the pattadar is in no better position, sometimes he is in a worse position, than the tenants. As the Government statistics show there are very many pattadars who pay Re. 1 and Rs. 2 as kist. A very large portion of the population consists of pattadars who pay very small kists to the Government, they do not all cultivate their lands. So I would like the mover of the amendment to see what will be its effect if it is accepted. As regards the case he mentioned whether a landholder who has advanced Rs. 50,000 to a neighbouring landholder as loan will come under this Bill, I should like to tell him that we in the southern parts are not situated in the same position as in the northern districts. There are the so-called zamindars in the south whose estates may not be worth more than Rs. 5,000 or Rs. 6,000. Landholders, whose estates are not worth more than Rs. 5,000 or Rs. 6,000, are in need of as much relief as tenants or ryotwari pattadars under the Government. We cannot be always looking at big zamindars and say that since they (the small zamindars) come under the definition of 'landholder' no relief should be given to them. That will be most unfortunate. It may be that there are several people whose estates are worth several lakhs of rupees and they come under the definition in this clause. But the remedy to exclude such people will be to fix the jurisdiction of the Board as I had done in the original Bill. If the learned mover of the amendment is agreeable to that, personally I have no objection to accepting an amendment fixing an amount as the maximum limit of jurisdiction of these Boards."

\* Mr. C. BASU DEV:—"Sir, I rise to oppose this amendment. I do not see any reason why the landholders who are in debt and who find it difficult on account of their commitments should not be given some measure of relief. It is not suggested that as soon as a debtor applies to the Debt Conciliation Board and gets his debts settled, the Government is going to say 'here is money for you, go and disburse it to all your creditors.' Nor is it contended that the landholders will use their superior influence to monopolize the Government's help to the detriment of others."

"I do not think that the Government will come forward to meet the liabilities of the debtors of this Province. There is absolutely no harm if the help of the Debt Conciliation Committees is sought and secured by the landholders. If the majority of the creditors or whatever percentage of creditors this House may finally adopt, if they agree, then only they can come within the beneficial provisions of this Act. I do not see why any person should be excluded from the purview of this Act. I therefore oppose it."

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\* Mr. W. K. M. LANGLEY:—"Mr. President, Sir, I strongly support my hon. Friend, Sir Patro's amendment. I have already remarked, I remark now and I shall remark again if necessity arises that the whole character of the Bill has been altered by the Select Committee. We have all heard about the misfortunes of the small agriculturist, the man who works with his own hands and whose entire livelihood is agriculture in a small way. We viewed this Bill with considerable sympathy. It was under close consideration of the European Chambers of Commerce a year ago at the meeting of the Associated Chambers of Commerce at Calcutta. Their general feeling was one of sympathy. But it was made very clear that their sympathy was solely with the working agriculturist, the man of small means. This Bill was supported in the hope that my hon. Friend, the Mover of the Bill, was going to bring relief to these poor people who are so greatly in need of it. But what happened in the Select Committee? The whole character of the Bill was completely altered. It is now apparently designed to relieve any debtor whether worthy or not, whether he is earning his living by agriculture or not. Therefore I strongly welcome this particular amendment which is designed to some extent to put that matter right.

"The particular question raised by this amendment has already been under consideration in Bengal in connexion with the Bengal Relief of Indebtedness Bill. I have before me a minute of the Bengal Chamber of Commerce who appointed a sub-committee to consider this Bill and make a report to the Select Committee which was sitting on the Bill. I observe that they took up this particular point in connexion with clause 2 (9) of the Bill which defined a debtor as one whose primary means of livelihood is agriculture whether he cultivates with his own hands or not. So the same point to which my hon. Friend, Sir Patro, objected seems to have arisen there and it was provided in the Bengal Bill that in the event of any question arising as to the interpretation of this definition in particular cases, the settlement board concerned was authorized to give a final decision in the matter. The Chamber Committee of the Bengal Chamber did not agree that the position should be left thus and pointed out that the object of the Bill was or should be to afford relief to the actual cultivator or ryot and that the Chamber was strongly of opinion that the scope of the Bill in this respect should be rigidly and clearly defined. Sir, I range myself entirely with these very pregnant remarks made by the Committee of the Bengal Chamber of Commerce, the leading Chamber of Commerce in this country. I also support very strongly my hon. Friend, Sir Patro, in his endeavour to get this Bill confined to the person we are all anxious to relieve, namely, the small agriculturist and nobody else."

\* Mr. K. KOTI REDDI:—"Mr. President, Sir, I oppose the amendment moved by the hon. Member from Ganjam. I have not been able to understand what he is driving at. Is he in favour or against the small agriculturist? Is he in favour or against the landholders? I have not been able to get it from him. This Bill has been introduced

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not merely for the purpose of giving relief to the small agriculturists, whoever they may be, but to others as it has been necessitated on account of the extraordinary fall in prices of foodstuffs and other commercial products due to the depression. If we restrict the operation of the Bill only to certain classes any amount of difficulty will arise. Is the ryotwari landholder, an agriculturist or not? Some ryots do not cultivate their land themselves, but others cultivate thousands of acres by their own labour as well as by hired labour. As Mr. Basu Dev pointed out nobody is going to get anything out of this Bill. If the Government or somebody else are going to give money for nothing then there need be a fight for apportioning it; but where you give money on easy terms, I do not see why the small ryotwari landholder or the zamindar should not have the benefit of it. If by bringing the creditors and the debtor together, the creditor could be made to forego a part of his debts, I do not see why the benefits of such conciliation should not go to ryotwari landholder or the zamindari landholder big or small. The benefit ought to go to each and everybody whoever he may be. I do not see why any restriction should be placed on the operation of the Bill."

Sir A. P. PATRO:—"Mr. President, Sir, it is difficult for me to answer the criticisms of those who have not understood the object with which I moved my amendment. The effect of my amendment is to confine the operation of this Bill to the actual agriculturists who suffer under the present economic depression. It was never intended that this Bill should provide for a sort of board which will decide all claims and all debts. If the main object of the Bill is clearly kept in view, the question is whether the inclusion of the landholder—the landholder as defined in the Estates Land Act—is consistent . . ."

Diwan Bahadur T. A. RAMALINGAM CHETTIYAR:—"May I say, Sir, that the word landholder is defined in this Bill itself and we need not go to the Estates Land Act for the definition. For the purposes of this Bill it is defined in the Bill itself."

Sir A. P. PATRO:—"My object is to point out that it is not the object of this Bill to protect the landholders and the zamindars but the poor cultivating agriculturist who is suffering from the economic depression. The big landlords who are in debt are not subject to economic depression. First let us confine this Bill to the actual poor struggling agriculturists and if this experiment is successful we can extend the operation of this Act to other classes. No reasons except mere words have been put forward by the hon. Members Messrs. Basu Dev and Koti Reddi, with whom it is very difficult to argue. The definition of landholder is too wide to include him also in the Bill. He may be an absentee landlord living in Madras or Calcutta or anywhere else and he may not be cultivating the land. Such a class of people are not intended to be protected by this Bill. If my amendment is accepted, it will confine the benefits of the Bill only to those who are in need of such help."

\* The Hon. Sir K. V. REDDI NAYUDU:—"Mr. President, Sir, I regret I am unable to accept the amendment on behalf of the Government. I can see the force of the argument put forward by Mr. Langley,



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when he said that the Bill is intended for the benefit of the small agriculturists and not for the benefit of the bigger people. But that purpose will be served if we fix a maximum to the amount of debts which these boards may take into consideration. In the beginning my hon. Friend, the Mover of the Bill, wanted to fix it at Rs. 25,000. The Government themselves wanted to fix it at Rs. 10,000, because the Special Officer recommended that it should be fixed at Rs. 10,000. But the Select Committee did not want to fix any limit and it is that that has caused this difficulty. I am perfectly at one with Mr. Langley and I shall be very glad when the relevant clause is reached, if an amendment is proposed to fix the limit of these debts. Personally, I feel, subject to this limit, even landholders whether they are actually cultivating the land or not, should be included in the definition of the word debtor if they owe money. Amongst these landholders we are accustomed to think only of the bigger ones having large estates fetching six lakhs and ten lakhs of rupees. But there are very many small people known as mohasidars, inamdars and even zamindars in partible estates who have got only very small estates. There are zamindars and zamindars and some of them are involved in debts. The landholders whom I call mohasidars have only 100 or 200 acres on account of division of the property in the family. I do not see why such people, whether they are actually cultivating the land themselves or cultivating it with the help of farm labourers while financing themselves, should not have the benefit of this Act. The object of limiting the Act to smaller men can be achieved if we prescribe a limit for the debts by saying that debts beyond Rs. 25,000 or so need not be considered by this Board. For these bigger zamindars will have always bigger debts and they will not come under the Bill. If it is the object of the House that the time of these boards need not be taken up by the settlement of disputes among big zamindars, if it is the intention of the House that the big zamindars can take care of themselves they can get moneys from banks and from other sources . . . . . (Sir Patro: 'You have to fix a limit.') I have already said that Government wanted to fix a limit at Rs. 10,000 and when the question comes up, it is open to any hon. Member to move an amendment to that effect.

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"It will be considered at the time. That will be the proper place. This is not the place to see that the provisions of the Bill are restricted to small landholders."

The amendment was put and lost.

### Clause 2.

#### Sub-clause (i).

\* The Hon. Sir K. V. REDDI NAYUDU:—"I beg to move, Sir, the following amendment:—

*'After the words "lien or charge" insert the words "on immovable property".'*

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"It has been brought to the notice of the Government that lien or charge may be also upon movable properties, like pledging of jewels, etc. It is not the intention of the Bill that these jewels should be brought into as assets. This is a verbal amendment and I hope it will be accepted by the House."

Mr. G. T. BOAG:—"I second it."

Diwan Bahadur T. A. RAMALINGAM CHETTIYAR:—"I accept the amendment."

The amendment was put and carried.

*Clause 2.*

Sub-clause (j).

\* The Hon. Sir K. V. REDDI NAYUDU:—"Sir, I beg to move the following amendment:—

*'After the words "lien or charge" insert the words "on immovable property".'*

Mr. G. T. BOAG:—"I second it."

The amendment was put and carried.

*Clause 3.*

\* Rai Sahib C. K. REDDI:—"Sir, I beg to move the following amendment:—

*'In lines 2 and 3 for the words "any district or part of a district" substitute the words "every revenue division".'*

"My point is, out of 100 agriculturists, 93 are indebted according to the report of the Special Officer. That means almost all the agriculturists are debtors. So, if there is to be a board for the whole district, I am afraid it will not be able to cope with the task which will be more or less gigantic. Therefore it seems to me that there should be a board for every revenue division."

MAHBOOB ALI BAIG SAHIB Bahadur:—"I second it."

Mr. P. V. KRISHNAYYA CHOUDARI:—"Sir, I am sorry I have to oppose the amendment of my hon. Friend, Mr. Kolanda Reddi; it is not a useful amendment from the point of view of the ryot. The Bill says that a board can be established for any part of a district. So, even for a taluk there may be a board; but the amendment of Mr. Kolanda Reddi restricts the scope of the provisions of the Bill. His amendment will stand in the way of the Government establishing a board for every taluk. So, I appeal to the hon. Member to withdraw his amendment."

The amendment was, by leave, withdrawn.



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\* Rao Bahadur P. C. MUTHU CHETTIYAR spoke in Tamil and the following is an English summary of his speech:—

I beg to move the following amendment which stands in my name:—

*‘For the second sentence in sub-clause (i) substitute the following:—*

*“Such board shall consist of a chairman appointed by the Local Government from among the distinguished retired judicial officers who had held a post not lower than sub-judges and two members of whom one shall be a non-official”.*

The words ‘gazetted officer’ in the Bill are very vague; they may refer to gazetted officers in the Abkari or Forest Department, or the Engineering or Medical Department. The person who is appointed must have judicial experience. If a board is likely to be established for every taluk or division, and if we are likely to require a large number of gazetted officers, if the provision as it exists in the Bill is accepted, the Services Commission will be burdened with much work by way of selecting officers for these conciliation boards. At first, let there be only one Board for each district. The officers to be appointed to this Board should have much judicial experience. Retired Sub-Judges may be appointed to these Boards, as we need not pay high salaries to them and as there is need to economize our expenditure in this matter. There are many able and capable persons of this category and they will be willing to do this work. My hon. Friend, Mr. Krishnayya Choudari, has given notice of a similar amendment. You should not appoint persons in Government service. Retired Sub-Judges may be appointed and they may be given a small honorarium.

Mr. V. T. ARASU:—“Sir, I rise to second the amendment moved by my esteemed friend. The object of my friend in moving this amendment in this: He submits that the term ‘gazetted officer’ is very vague; it is possible that the Government may choose for the office of the chairman of this Board any gazetted officer belonging to the Forest, Engineering or any other department. He insists on one main condition that the chairman should be one who has had judicial training and who has a judicial frame of mind. This is one of the essential qualifications which, according to him, should be insisted upon the holder of the office of chairman of the Board. Mr. Muthu Chettiyar submits that wherever possible, Government should try and choose retired judicial officers who have worked as Sub-Judges. That suggestion of my hon. Friend is very sensible . . .”

Rao Sahib N. SIVA RAJ:—“May I know if the hon. Member is translating the speech of Mr. Muthu Chettiyar?”

\* The Hon. the PRESIDENT:—“He might be repeating the arguments in English; he is not translating them.”

\* Mr. V. T. ARASU:—“I am bringing out the force of the arguments contained in the speech of my hon. Friend. On account of

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[Mr. V. T. Arasu]

economic depression the Government find it very difficult to create new posts or to increase the number of Government officials. Therefore, it would be impossible to create a new cadre of officers to take up their places on these boards. The suggestion contained in the amendment is that they should requisition the services of retired Judicial Officers, people who have retired as Sub-Judges or even as District Judges. We have got quite a large number of people of this class who are well settled in life and who would be willing to take up this job for a small pittance as honorarium. The suggestion contained in the amendment is a very wise one and I hope the Government would find its way to accept it."

\* The Hon. the PRESIDENT:—"Is the hon. Member, Mr. Krishnayya Choudari, moving his amendment?"

Mr. P. V. KRISHNAYYA CHOUDARI:—"This is quite a different amendment; I shall move it later on."

\* Mr. M. DEVADASAN:—"Sir, in supporting the amendment brought forward by Mr. Muthu Chettiyar, I would point out to the Hon. the Law Member that this is a welcome suggestion made by my friend. There are enough men among Judicial Officers who have retired from service and who will be willing to do this work. They have been appointed Presidents of Bench Courts and Bench Magistrates and they are discharging their duties without fear or favour of men. We want that such men should be appointed to the conciliation boards. In these days of economy and depression, the Government may appoint retired Judicial Officers. I wish to submit that the Government need not restrict their choice only to retired Sub-Judges and District Judges but they may appoint persons who have worked as District Munsifs. They know the procedure very well and they might have retired as Sub-Judges or District Judges if promotions were given to them in due course.

"So, I submit that Munsifs also can be appointed to these posts. I do not understand what is meant by the word 'distinguished' in the amendment. Anybody who retires from service as a District Judge or Subordinate Judge must be a distinguished gentleman no doubt. Therefore, there is no qualification of 'distinction' necessary here. The provisions of the Bill relate to reception of evidence. In the case of retired Judicial Officers, we expect them all to be well-versed in law, and they will be in a position to shut out irrelevant evidence and irrelevant documents in connexion with the discharge of duties on this Board. With these words, Sir, I support the amendment." 3-45 p.m.

\* Mr. T. C. SRINIVASA AYYANGAR:—"Sir, I have great pleasure in supporting the motion made by hon. Friend, Mr. Muthu Chettiyar, the Zamindar of Velliyakundram. It is undoubtedly true that there are a large number of Judicial Officers available, who will be happy in their retirement to be of use as members of the conciliation board. Especially, if the question of conciliation comes up, it would be a good thing if these retired and experienced officers are there. I also agree with Mr. Devadasan when he said that there was no special meaning in



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having the word 'distinguished' here. All officers who have retired after a long service are distinguished. There is one special feature deserving notice. The Judicial Officers have till now decided cases with the help of vakils. Vakils always agree to differ from and contend against each other. Sometimes their profundities have led the Judges to greater difficulties than they thought. Perhaps, to avoid this embarrassing help, an attempt has been made by my friend, Mr. Ramalingam Chettiyar,—himself a lawyer—introducing a provision against the appearance of lawyers. Sir Thomas Moore, writing about an ideal Government in Utopia, made provision for everybody, but he stated that each client must plead his own case. There was no provision for lawyers there. And although the dreams of Sir Thomas Moore have never been fulfilled, my friend, Mr. Ramalingam Chettiyar, has attempted to realize that ancient writer's dream. All honour to the mover of the Bill! I also wish all success to him in his hopes and efforts. Let these retired officers do the good work by trying to bring about conciliation and good relationship between the creditor and the debtor in an atmosphere of greater freedom untrammelled by the contentious arguments of the vakils. I support the motion."

Diwan Bahadur T. A. RAMALINGAM CHETTIYAR:—"Sir, the amendment proposed seems to me to be restricting the choice of the chairman and also making it impossible to have these boards except where we can find retired Sub-Judges or District Judges. It is not always the case that we can get retired Sub-Judges or District Judges where we want them nor can we be sure that they will do this service for nothing. It is not proposed to pay the Members of the Board anything except perhaps travelling allowance if they have to undertake to travel. The reason why the particular wording was adopted is this: The Government stated that up to Rs. 2,000 they would be able to finance debtors in cases in which their properties warranted the advance of such amount. Since the grant of these loans is to be vested in the hands of the Revenue Divisional Officers, the Government suggested that if the Revenue Divisional Officers happened to be the chairmen of these boards, it would be helpful. That was the suggestion made by the Government, and it was accepted by the Select Committee. No doubt there is some advantage in having a Judicial Officer also. It was also suggested to the Government that a Judicial Officer also might be there, and that is why it is provided 'one of whom shall be a non-official' leaving the other place for a retired Judicial Officer where one is available. That was the arrangement come to in the Select Committee in regard to the constitution of these boards. If, however, my friend has no objection, I would suggest that we simply say that the Board shall consist of three people to be nominated by the Government, on the understanding that wherever the Government can find a retired Judicial Officer of the grade of Sub-Judge or District Judge, they will put him in and also the Revenue Divisional Officer, the third being a non-official. The section will then read:—

'Such board shall consist of a chairman and two other members appointed by the Local Government.'



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If that is acceptable to the mover, I think we can agree to it. I can quite understand the position of some of the gentlemen coming from Madura or Tanjore when they say that they can get the services of retired Sub-Judges and District Judges; but when we go to the other districts, we will find that they are a rare commodity. I therefore do not think that we can make any hard-and-fast rule here. If the Government can find a retired Sub-Judge or a District Judge prepared to work on this board, they may put him in. On that understanding, Sir, I think we can agree to the amendment in the form suggested by me."

Sriman M. G. PATNAIK Mahasayo:—"Sir, the amendment proposed by my friend does not seem necessary at all, unless he wants that no official should be appointed as a member of the board. The present position is that the Government may appoint a gazetted officer, an official and a non-official. If retired Sub-Judges or District Judges are available, I think Government will nominate them. Therefore, where is the necessity for this provision? As pointed out by my friend, Mr. Ramalingam Chettiyar, such men may not be available in districts other than Tanjore and probably in Madura and Ramnad. It is better we leave the clause as it is. I won't agree to Government being authorized to appoint any person without his rank being indicated here; that would lead to difficulties. Therefore, a gazetted officer is necessary. I do not think in a matter like this much knowledge of law is necessary. Moreover, persons who will be able to persuade the parties to come to terms may be more useful than those who know law. I cannot see any objection to even forest officers or excise officers being appointed, if they can persuade the parties to come to an agreement. Further, the questions to be decided under this Act are simple, and I do not see why any person with commonsense cannot discharge the duties under this Act."

Mr. T. S. RAMASWAMI AYYAR:—"Mr. President, Sir, till now I was under the impression that the Bill was for the purpose of obviating the unnecessary and circuitous routine of a civil court; it is now that I realize that the idea is that we are to avoid not only civil courts but also law. Otherwise, I cannot understand the statement made by my hon. Friend from Ganjam that judicial officers are not fit for this place."

Sriman M. G. PATNAIK Mahasayo:—"My friend has entirely misunderstood me; I said a judicial officer may be as persuasive as other officers, but it is unnecessary that a judicial officer should be appointed. If my friend did not understand me then, I think he will now at least understand me aright."

Mr. T. S. RAMASWAMI AYYAR:—"I am prepared to accept the amendment suggested by my friend. I think, Sir, retired judicial officers are available for this kind of service. Government may be aware that in the case of many of the appointments of honorary magistrates in the mufassal courts, many retired judicial officers have been appointed as magistrates and chairmen of the bench courts. It cannot therefore be contended that such men are not available. I think at least



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one of the officers should necessarily be one who knows law. It may be that we are trying to obtain relief for the parties easily, but at the same time the procedural law cannot be got rid of. We have always to keep that in view. It may be necessary in certain cases to shut out irrelevant evidence or to allow conflicting evidence that may be brought in; for instance, false documents may be created and one of the parties may contend that the documents are *bona fide* and the other party may contend they are not. If there is no judicial officer on the board, perhaps the board will not appreciate the contention of either. Why we should fight shy of the judicial officer, I cannot understand. I am not quite in agreement with the views expressed by the mover of the Bill that judicial officers will not be available except in one or two districts. I think, Sir, they will be available."

Diwan Bahadur T. A. RAMALINGAM CHETTIYAR:—"I can say in my own district, probably except in one or two divisions, it may not be possible to get retired judicial officers."

Mr. T. S. RAMASWAMI AYYAR:—"If the hon. Mover thinks that retired judicial officers may not be available, that makes me think that other gazetted officers will be available. If a judicial officer refuses to give his services to this kind of work, I do not see why another should similarly refuse to take it up. It is all a question of people's ideas of service. If there are judicial officers willing to give their services, why not take their services free? Perhaps, Sir, the whole trouble will be obviated if the hon. Mover of this amendment will accept a slight alteration by using the words 'officers who have held a post not lower than Sub-Judges or Deputy Collectors' in his amendment, so that if judicial officers are not available, the Government may appoint Deputy Collectors. You cannot say neither judicial officers nor Deputy Collectors are available. As has been remarked by the mover of the amendment, there is no use putting here a medical officer or an excise officer; their experience in Government service is not the same as that of a judicial or revenue officer. I therefore suggest that, if the hon. Mover has no objection, we may delete the words 'distinguished retired judicial officers who had held a post not lower than Sub-Judges' and merely say 'retired officers who had held a post not lower than Sub-Judges or Deputy Collectors'."

\* The Hon. the PRESIDENT:—"We shall leave the Bill at that stage to-day and we shall take up the further discussion of the Bill on the 9th instant which is allotted for non-official business. If in the meanwhile, hon. Members are anxious to come to an agreement upon that particular point, they will be at liberty to do so."

"I may also mention to hon. Members that the progress we have made in this Bill has been rather slow, and we have got only one other non-official day before us. We must be able to finish not only this Bill but also the other items on the agenda for the non-official day. I hope hon. Members will keep this in mind when we meet on the 9th instant for transacting non-official business."